

April 22, 2015

William and Linda Kozak
Tower Standard Service
8760 W Squaw Lake Rd
Lac Du Flambeau, WI 54538-9517

RE: **Cost Cap Approved with Variance**

PECFA # 54538-9517-67-A DNR BRRTS # 03-64-127899
Tower Standard, 14267 State Hwy 70 W, Lac Du Flambeau

On March 24, 2015, the Wisconsin Department of Natural Resources (Department) received a scope of work (SOW) and cost estimate utilizing chapter NR 747, Wisconsin Administrative Code, Usual and Customary Cost Schedule (Cost Schedule) for the site referenced above.

The Department has determined the SOW is reasonable and **approves** the additional costs and variance. This site will be deferred from the public bidding process at this time. The Department will contact you if this site will be bid in the future.

Costs approved are for the development of a detailed workplan and associated PECFA cost request for conducting a thorough site investigation of contamination originating on or impacting the Tower Standard site and down gradient parcels. The work plan should include the evaluation of potential on and off-site sources of petroleum contamination which could be comingled with groundwater contamination from the Tower Standard site. The proposed workplan should be supported by a detailed site status and summary that will take into consideration all historic data available and any new documentation of environmental activities on the surrounding properties. A copy of the Department worksheet for Cost Schedule tasks is enclosed for your reference.

Deferment Cost Cap Approved:

\$3,483.60

Be reminded that ch. NR 700 semi-annual progress reporting is required until this case is closed.

Usual and customary costs for activities included in this approval will only be reimbursed at a rate equal to or less than what is allowed on the Cost Schedule, and are reimbursed based upon the Cost Schedule that is in effect at the time the activity is performed. Costs for activities not included in this approval are not reimbursable without prior Department authorization.

Regulatory Correspondence (Task 7, Activity RC05), Claim Submittal (Task 27, Activity CS05) and Standardized Invoice (Task 28, Activity SI05) costs are not included in the cap approved above. These activities will be reimbursed according to the task specifications and with submittal of proper supporting documentation at claim review time.

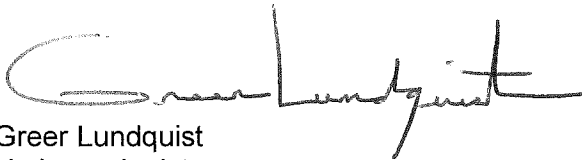
The Department approves a variance from the Cost Schedule for preparation of site summary report, to include a detailed workplan and PECFA cost estimate for completing the site investigation. Do not include the variance cost (\$3,120) on the standardized invoice for usual and customary cost activities. Submit the cost of variance on a separate company invoice. When you submit the claim for these costs, please attach a copy of this letter and the attached worksheet for the claim reviewer's reference. The Department waives the commodity three-bid requirement with this variance approval.

The Department considers the consultant the primary controller of costs during these activities. This approval does not guarantee eligibility of any specific costs that have been incurred or that may be incurred in the future. Final determination regarding the eligibility of costs will be made by the claim reviewer when the entire claim, including all invoices and reports, is submitted for payment.

Note: If you have not submitted a reimbursement claim in the past 12 months, the Department encourages you to do so at this time. In the future, we may review your claim submittal history and require a claim. Failure to submit a claim at that time would result in denial of reimbursement for corresponding interest costs. If you need assistance with filing your claim, please contact Tim Prosa at (608) 261-7715.

Thank you for your efforts to protect Wisconsin's environment. If you have any questions, please contact me in writing at the letterhead address or by telephone at (715) 365-8970.

Sincerely,



Greer Lundquist
Hydrogeologist
Remediation and Redevelopment Program

Enclosure: Usual and Customary Cost Schedule Worksheet

cc: Dave Larson, REI Engineering Inc.
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